

## HEDGES PERMANENT CAR LINE RECEIVER

Judge Mayer Outlines Problems Which Experts Are Now Considering.

### HIGH FARE IN ABEYANCE

New York Railways Rentals for the Leased Roads May Be Revised Downward.

The receivership of the New York Railways Company, operating the green car surface lines, was made permanent yesterday by Federal Judge Julius M. Mayer, who confirmed Job E. Hedges as receiver. Contrary to its action in the case of the Brooklyn Rapid Transit, the city made no application for the appointment of a joint receiver, although Corporation Counsel William P. Burr appeared before Judge Mayer at the hearing on the temporary order to preserve the city's interest in the existing surface system. He urged that a public hearing be held by the court at the earliest possible moment at which argument on the question by all interested parties might be heard. Corporation Counsel Burr prefaced his remarks by stating that he appeared in an effort to aid the court by any suggestion that might tend to preserve the unity of the system and to urge that the proposed object of the receivership as set forth in the application of the plaintiff be lived up to in actual performance. In this connection he expressed the hope that the needed financial relief might be obtained by a scaling down of the rentals paid by the New York Railways Company for its use of the leased roads, by abolishing the system of free transfers or the imposition of an increased fare.

**Problems in Receivership.** "I am extremely gratified," said Judge Mayer, "at the attitude of the Corporation Counsel and his promise of cooperation and constructive effort in the problems that now and doubtless will hereafter be presented. It is unquestionable at this time to point out some of the important things to which the attention of the receiver will be directed. These may briefly be classified as the legal, traffic and financial problems attending the receivership. "The court perfectly understands that matters will arise which frequently are not understood by laymen. These are matters affecting the stockholders, creditors and various contract relationships in respect to franchise matters which the receiver must acquaint himself as quickly as he can. I assume that all counsel interested, while conserving the interests of their clients will cooperate with the receiver. The court will welcome the cooperation of all counsel, officials of the Public Service Commission and the Corporation Counsel. "In regard to the traffic situation in the case of the receiver of the Brooklyn lines considerable dissatisfaction was met with in regard to the actual running of the lines and the questions connected therewith. In that case the receiver first directed his attention to the problems of the proper running of the lines. "The court has tried to keep informed as to whether there has been any actual improvement in the running of trains and I am confident that there has been a substantial improvement. It is safe to say that Mr. Hedges may do the same in the case of the New York Railways Company, although in this case the complaints are very few as compared with the Brooklyn lines. "How good the fare shall be and unified it can be kept depends on developments in the financial situation. The question of transfers to which the Corporation Counsel has referred is a problem of one and will of course be approached only after a careful study of the situation. "Question of Increased Fares. "I have been careful to say nothing on the much mooted question of increased fares. The first thing to do is to get all the facts; to ascertain in a way the verity of which there is no doubt just what the financial situation is, and to find out what is a fair return on the investment. It is important to know from expert men just what the value of these roads for all purposes. An investigation by expert men to that end is being made in the case of the Brooklyn lines, and doubtless will be made in this case. When all these things have been learned then we can decide what to do. "When all the facts are clearly and fully understood then it will be found out what is the right thing to do. If increases of fares are unnecessary we will understand it. If an increase of fare, on the facts, proves to be necessary after a full, free and fair discussion, I am convinced that the public of New York is so fair and reasonable that they shall have no hesitation in making it known—that if this is one of the remedies, they desire that this remedy shall be adopted. "I have a very real conviction from many years of knowledge that there is no fairer public than that of the city of New York, but it is a public which desires to know what the real facts are, and any solution of this problem, whether by rearrangement of franchises in the interests of investors or an increase of fare because of increased expenses, or whatever the arrangement may be which fair-minded men decide is right is one which the public of New York will ratify if they believe it right. "It is a problem that involves the best judgment that can be found, but there is no problem of this kind that cannot be solved by fair-minded men, so that it is with especial pleasure that I note the attitude of the Corporation Counsel, and some day we may all feel that we have contributed something to the solution of this problem."

**Would Scale Down High Rent Also** In his memorandum and affidavit filed with the court Mr. Burr expressed the hope that a scaling down of the existing high rentals of leased lines of the New York Railways Company might be found by the receiver to be a more advisable mode of trying to improve the financial condition of the defendant than an attempt to obtain an increase over the existing 5 cent rate of fare. If, however, the receiver reached the conclusion that it was desirable for him in the interest of these properties to endeavor to get an increased rate of fare the proper authorities to whom he would have to apply would be either the municipal authorities, or possibly in the event of certain pending legislation going through to the Public Service Commission. From the city's viewpoint the relief, if applied for, ought to be upon the basis of asking for a new franchise under the charter for the limited term of twenty-five years and with other provisions looking to municipal ownership. Most of the franchises of the New York Railways Company were granted by the city and had been held to be perpetual grants, but this merely meant that the railroad company could live up to the provisions of the franchise imposing a 5 cent fare and free transfer obligations.

Ever since the enactment of the present New York City Charter in 1897 the policy of the city, under legislative sanction, was against perpetual franchises and permitted only franchises for twenty-five years with a maximum right of renewal for another twenty-five years. Mr. Burr finally urged that it would be in the public interest if the court in view of all the foregoing circumstances would with all convenient speed conduct a hearing in open court wherein the various public authorities could participate, with a view to determining whether there should not be imposed if not as an express condition of the continuance of the receivership at least as a definite instruction of the court to the receiver as to his future general policy and duty that the unity of the system of railroads as now operated by the defendant, including all compulsory free transfer privileges in favor of passengers, must be preserved until and except as the Public Service Commission or other valid State or local authority shall otherwise prescribe.

## FOOD COST FALLS FASTER THAN WAGE

Declines in January Were 4 and 7 Per Cent. Respectively.

ALBANY, March 31.—From January to February the total amount expended for wages in New York State factories decreased 5 per cent. This decline is explained for the most part by reductions in the hours worked and by part three operation and not by decreases in the rates of pay. "There were exceptions to this downward tendency in the clothing industry, in wood manufactures, in printing and in food and liquors. In respect to recent declines in wage volume it is well to remember that these are from high levels established under war conditions. The February wage volume is 14 per cent greater than that of the same month a year ago and 33 per cent greater than a similar amount reported in February, 1917. "The most conspicuous decreases in total payroll occurred in textiles and in the metals group, where the declines were 10 and 9 per cent, respectively. In textiles, with the exception of wool manufactures, smaller payrolls were the rule. This condition was most marked in the manufacture of the goods, where the decline was 21 per cent. In the metals the most pronounced reductions in the amount of wages paid were 21 per cent in railway repair shops and 19 per cent each in structural iron work and in pig iron and rolling mill products. "On the other hand the firearms group paid 24 per cent more wages in February than in January, which apparently indicates that this industry has passed through its period of readjustment. Declines in other industries ranged from 4 per cent, each in light and power and in furs and fur goods to 6 per cent, each in chemicals and in paper manufactures. "The above facts are based on an analysis made by the Bureau of Statistics of the New York State Industrial Commission from reports received from 1,448 manufacturers with over 500,000 employees. These manufacturers are chosen because of their representative position in the industry of the State. "The average weekly wage for February was \$22.07. This is a decrease of 96 cents from a similar figure reported in the preceding month and a reduction of \$1 from the record established last December. The February decline in average weekly earnings was general for all industry groups except in clothing and in foods, liquors and tobacco, where the increases were 93 and 16 cents, respectively. "When the course of average weekly earnings is compared with that of the retail price of food, as published by the United States Bureau of Labor Statistics, it is seen that in so far as these factors are concerned the position of the factory worker has improved despite the decrease in his earnings. From January to February earnings have declined 4 per cent, whereas the retail price of food has declined 7 per cent. In the two months from December, 1918, to February, 1919, the decline in average weekly earnings was 10 per cent, but in this same period food prices declined 8 per cent.

## GOVERNOR DEMANDS INSURANCE REFORM

Insists On Immediate Amendment of Workmen's Compensation Act.

### MANY ARE DEFRAUDED

Hearings on Income Tax Bill to Begin on Tuesday of Next Week.

**Special Despatch to The Sun.** ALBANY, March 31.—In a special message to the Legislature to-night, Gov. Smith demanded immediate revision of the workmen's compensation act to prevent direct settlement between injured employees and the insurance carriers, suggesting that the legislators read the report of Jeremiah P. Connor showing that many injured persons have been defrauded by the insurance companies, in some instances being bilked of \$2,000 or more. "With these facts before you to your attention it seems to me that there is a duty before you either to perform or to present to the people of the State some very good reason for the continuance of a condition which thinking men and women will not tolerate," wrote the Governor. "I urge you to forthwith amend the law and abolish direct settlements." James A. Foley, Democratic leader, introduced bills in the Senate carrying out the Governor's recommendation, and asked for immediate advancement to third reading. J. Henry Walters, Republican leader, objected. "I have no objection to signs being printed in English," Assemblyman Charles J. Smith declared, "but if this bill will come a law it will affect Italian, Greek, Polish, Jewish and Bohemian processes, some of which frequently are held as religious ceremonies. Furthermore, it would require that the signs each year displayed when Chinatown has its demonstration would have to be in English. If that isn't sufficient I'll say that it would make it a misdemeanor to carry a Gaelic sign in St. Patrick's day parade."

Thereupon Assemblyman McCue jumped to his feet and said that it had been made perfectly clear that the bill should not be passed. **WOMEN BEG LEGISLATORS' AID.** Delegates Urge Passage of Teachers' Pay Bill. **Special Despatch to The Sun.** ALBANY, March 31.—Women deputed upon the legislators in swarms to-night, some seeking the passage of bills which would raise the pay of New York City teachers' salaries, and others trying to induce legislators to vote for the bills of the Women's Joint Legislative Conference, which include the eight-hour day for women, health insurance, minimum wages for women and minors, full day protection for women office workers and additional safeguards for women in transportation services. Mrs. Norman de R. Whitehouse appeared as the leader of the conference delegation. They sought her aid as a final effort to bring about a favorable action on their bills. The women's platform consisted of six bills and so far the Legislature has shown a disposition to pass but one, the bill providing that women elevator operators must be provided with seats, must be more than 21 years of age and must not work between 10 P. M. and 4 A. M. This measure has been reported favorably to both Senate and Assembly and may pass this week. **2 Firemen Fall at Brooklyn Blaze** Two firemen were slightly injured and more than \$20,000 damage caused by a fire which destroyed three buildings in Wallabout Market, Brooklyn, early yesterday. The blaze started in the fruit store of Samuel Baras, 217 Market avenue. On account of the high wind the fire for a time threatened to destroy a large part of the market. Fireman Michael Cleary fell from a ladder and Fireman William Werdermann fell through a broken floor to the cellar.

## GOV. SMITH CONFERS WITH LAWMAKERS

Calls Democratic Members to Executive Chamber.

ALBANY, March 31.—Gov. Smith shattered precedent to-night when he called the Democratic Senators and Assemblymen down to the Executive Chamber to talk to them about legislation he has suggested and in regard to the attitude they should take on legislation being advanced by the Republicans. The conference was secret. It was understood that the Governor planned to demand that the Democrats pay strict attention to sessions of the Legislature from now until the end of the session, and be prepared to vote as their party dictates when questions come up which call for party votes. So far the Legislature has failed to act on any of the legislation Gov. Smith recommended in his annual message, unless the passage of bills repealing acts creating three war commissions can be called that. These bills were to have been passed anyway.

### SUNDAY BASEBALL GAINS.

**Bill Permitted to Go to Third Reading.** ALBANY, N. Y., March 31.—After an objection against the advancement of the Malone Sunday baseball and fishing bill was withdrawn in the Assembly to-night, the measure was ordered to the third reading calendar, with a understanding that it can be debated when it comes up again. Following an objection from Assemblyman August Chesebrough, Socialist, at New York Assemblyman Martin G. McCue, Democrat, of New York moved that the bill be referred to the committee on the Link bill to require signs carried in parades to be printed in the English language was recommitted. This bill the measure. "I have no objection to signs being printed in English," Assemblyman Charles J. Smith declared, "but if this bill will come a law it will affect Italian, Greek, Polish, Jewish and Bohemian processes, some of which frequently are held as religious ceremonies. Furthermore, it would require that the signs each year displayed when Chinatown has its demonstration would have to be in English. If that isn't sufficient I'll say that it would make it a misdemeanor to carry a Gaelic sign in St. Patrick's day parade."

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## GODSOL'S RELEASE UPHELD BY COURT

District of Columbia Judges Find Him Innocent and Not Extraditable.

### SCORE FRENCH CHARGES

Proof Contradicts Allegations, Says Justice Gould's Decision, Just Affirmed.

**Special Despatch to The Sun.** WASHINGTON, March 31.—With C. J. Smith, Chief Justice, dissenting, the Court of Appeals of the District of Columbia affirmed to-day the decision of Justice Gould of the District Supreme Court holding Frank J. Godsol innocent of the crime of false pretenses in dealing with the French Government and the Pierce-Arrow Motor Car Company and not extraditable under the treaty with France. The opinion was written by Associate Justice Charles H. Robb.

**Formerly a French Soldier.** Godsol, whose name appears as Goldsol throughout the court records, formerly was a French soldier and was charged with defrauding the French Government of \$1,500,000 in connection with the purchase of motor trucks from the Pierce-Arrow Company. Godsol was arrested a little more than two years ago on a complaint sworn to by Jules J. Jusserand, French Ambassador to the United States. Justice Hitz of the District Superior Court held Godsol for extradition. Counsel for Godsol got a writ of habeas corpus on which Justice Gould ordered him released. When the Government appealed bond was fixed at \$50,000 and Godsol put up that amount in Liberty bonds to await the action of the Appellate Court, which was announced to-day. Justice Robb in his decision said: "Viewed from any angle we can find no competent and adequate evidence (which as we understand means substantial evidence) in support of the charge against Godsol. The complaint is that false representations were made to the Pierce-Arrow Company and that the company was obtained from the French Government. The contract of purchase was between the Pierce-Arrow Company and that Government. Payments by the Government were to that company in this country. The act of the company of course included the commissions involved. In short, it was the usual and customary arrangement."

**Finds No Deception.** "The Pierce-Arrow Company then paid its agent here. If any one was deceived it was the Pierce-Arrow Company and not the French Republic, for the commissions paid Godsol's firm in New York were not paid by that republic but by the company from money of which the company had absolute ownership. "The theory of the prosecution is that no agency was necessary. In other words, that exactly the same number of trucks would have been purchased by the French Government had the Godsol agency not intervened. It logically follows that no deception was practiced upon that Government. It wanted Pierce-Arrow trucks and it got what it wanted at an agreed price. But it knew that an agency did intervene and that knowledge came to it immediately following the creation of the agency. Justice Robb declared that the case throughout "seems based upon unrelated and unwarranted suspicions from which strained inferences have been deduced." Judge Gould in his decision, which has been affirmed by the Court of Appeals, said that the officials of the French Government themselves did not agree on the character of the complaint against Godsol. Judge Gould further said: "The testimony, admirable and heard, may combined, is entirely too meagre and inadequate to enable us to reach the conclusion that there is probable cause to believe that Godsol made the representations set forth in the complaint. "But even if probable cause were de-

ducible from adequate evidence there are other reasons which force me to the conclusion that the petitioner should not be held for extradition upon the record before me. "The second reason is that there is not only a variance between the allegations and the proofs, but the proofs squarely contradict the allegations. "The record discloses no complaint on the part of the Pierce-Arrow during the three years in which the contract has been in force."

Merton D. Lewis, former Attorney-General of the State of New York, chief of Alfred L. Becker, who made the investigation on which the entire prosecution against Godsol was based, and stated that the evidence did not justify the charge that Godsol made any false representations to any one either in France or within the State of New York. Moreover, the Pierce-Arrow company, to whom the French authorities claimed Godsol made the false representations, is on the best of terms with him, and states that Mr. Godsol acted fairly and honestly and that it has no cause for complaint against him. Testimony of the Pierce-Arrow company, which tended to establish Godsol's innocence was suppressed by the prosecution and not produced at his hearing, according to Godsol's attorneys.

## FLEET WILL START FOR HOME SATURDAY

U. S. Warships Near End of Manoeuvres at Cuba.

WASHINGTON, March 31.—Upon completion of its annual winter manoeuvres at Guantanamo Bay, Cuba, the Atlantic fleet of dreadnoughts, destroyers and auxiliaries will sail next Saturday for New York and will remain in the North River from April 15 to 30 to give the crews shore leave. Leaving New York May 1 the fleet will proceed to Hampton Roads for gunnery and other exercises which will hold it there and at Yorktown until late in June, when it will disperse to reach designated ports by June 27. The battleship force will go to New York and remain in the North River until July 4. It then will join the rest of the fleet, which will assemble at Newport, R. I.

An announcement to-day by the Navy Department said the vessels of the fleet would be considered available for docking after April 30, but that none of the battleships would be laid up for extensive work until the navy yards were ready to proceed with work made necessary by a revision of the reports of the first control and turret boards, which will be made in April. Battle inspection will be held while the fleet is proceeding from New York to Hampton Roads and fleet tactical exercises will be held from May 11 to 17. Gunnery exercises will occupy the week following and the ships then will return to Hampton Roads for a week so the crews can have recreation. Fleet tactical, gunnery and engineering performances will occupy the battleship force from June 1 to 21 and it will then go to sea for manoeuvres before assembling at New York.

Gunnery exercises of vessels that go to navy yards will be held while the other ships are in Hampton Roads for recreation for the men or at such other times as Admiral Mayo, the commander in chief, may designate.

### PROFIT SHARING PROPOSED.

**But New Utilities Scheme Would Guarantee 6 Per Cent.** **Special Despatch to The Sun.** ALBANY, March 31.—An entirely new scheme for regulating the rates of public utility corporations has turned up. George A. Glynn, chairman of the Republican State Committee, handed yesterday to Senator Thompson of Niagara, chairman of the Senate Public Service Committee, a bill which permits public service corporations to get 6 per cent. return on their investments. The measure provides also that whatever profits the companies make between 6 and 8 per cent. shall be divided equally between the State and the company making the return, and provides further that if the companies make above 8 per cent. their transportation rates shall be reduced.

## DEBS LOSES FIGHT; THREATENS STRIKE

Supreme Court Refuses Rehearing of Appeal From Conviction and Sentence.

### MAY TRY LABOR TIEUP

Socialist Leader Ready for Battle—Executive Clemency Is Only Hope.

WASHINGTON, March 31.—Eugene V. Debs' application for a rehearing of his appeal from conviction and sentence to ten years' imprisonment for violating the espionage act was denied to-day by the Supreme Court. In filing his motion for a rehearing Debs asserted the court's opinion amounted to the trial of a person for an undisclosed "state of mind," that the privilege of showing his motive in making the speech for which he was convicted had been denied him and that the court had failed to decide all of the questions presented to it for review. The prosecution resulted from statements made by Debs in a speech at Canton, Ohio, last June. The Supreme Court affirmed the conviction on March 10. Unless executive clemency is obtained Debs now must serve his sentence. He is at liberty on bail.

Debs was confined to bed with a bad attack of lumbago in the home of Mrs. Margaret Prevey here when notified the United States Supreme Court had refused a rehearing to him. He refused to see newspaper men, but through Mrs. Prevey issued the following statement to the press: "The matter is in the hands of my attorney, Seymour Siedman of Chicago. I do not know what legal action he will follow, as I have received no word from him as yet. "Unless something further can be done the programme of the party to tie up the country in a general strike will be fulfilled. I am prepared to fight to the end."

Mrs. Prevey said Debs' condition is not serious and that he would be able to be out in a few days.

### BRITISH TO SUPPLY RUMANIA.

**Credits Opened for Immediate Purchase of Necessities.** LONDON, March 31.—The British Government has concluded arrangements for the opening of credits to Rumania for the purchase of immediate necessities, especially railway material. Complete equipment for an army of 50,000 men also will be sent. The Canadian Government is granting a loan of \$25,000,000 to Rumania for the purchase of agricultural necessities.

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## STRIKE SETTLEMENT AVERTS FUEL TIEUP

Boatmen Return to Tidewater Craft at Increase.

All danger of shortage in coal due to the harbor strike was obviated yesterday when the Marine Affiliation mentioned the settlement between the Tidewater Boatmen's Union and the private owners whereby the operators of coal and grain and other tidewater boats will return to work at increased wages, but under the same working conditions that have obtained heretofore. The strike committee of the affiliation refused, however, to sanction the proposal that the dock scow men return to work at \$100 a month, and these workers, who belong to the Tidewater Boatmen's Union, will remain out, for the present at least. All the other members of the union will return to their boats at once at a wage of \$110 a month. "As a result of the capitulation of the tidewater boatmen the strike will be over in a short time," said Paul Bonynge, counsel for the private owners, yesterday. "It appears to be the beginning of the end. This move on the part of tidewater men fully alleviates all danger of coal shortage. "The tidewater men affected by this settlement constitute 40 per cent of the men on strike."

Mr. Bonynge predicted that the Lighter Captain's Union would also fall into line shortly. That organization is considering an offer of a wage increase of 15 per cent, and it is not unlikely that it will be accepted. In that event the whole strike structure would probably collapse and all the men out return to work. The private owners announced that they would have additional tugs in operation this week to handle the coal and grain boats.

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